



**CITY OF BUCKEYE
COUNCIL WORKSHOP
MAY 31, 2016
AGENDA**

**Executive Conference Room
530 E. Monroe Ave.
Buckeye, AZ 85326
2:00 p.m.**

1. Call to Order/Roll Call

Mayor Meck called the meeting to order at 2:04 p.m.

Members Present: Councilmember Orsborn (via telephone), Councilmember McAchran (excused at 3:00 p.m.; returned at 3:02 p.m.; excused at 3:25p.m.; returned at 3:27 p.m.), Councilmember Heustis (excused at 3:36 p.m.; returned at 3:39 p.m.; excused at 3:45p.m.; returned at 3:46 p.m.), Vice Mayor Hess (excused at 3:45 p.m.; returned at 3:46p.m.), and Mayor Meck.

Members Absent: Councilmember Garza.

Departments Present: City Manager Stephen Cleveland, Assistant City Manager Roger Klingler, City Attorney Shiela Schmidt, City Clerk Lucinda Aja, Records Administrator Lizbeth Camacho, Assistant to Council Carol Conley and Christine Grundy, Police Chief Larry Hall, Finance Director Larry Price, Human Resources Director Nancy Love, Public Works Director Scott Lowe, Water Resources Director Dave Nigh, Information Technology Director Greg Platacz, Community Services Director Cheryl Sedig, Development Services Director George Flores, City Engineer Scott Zipprich, Public Information Officer Bob Bushner Government Relations Manager George Diaz, and Construction and Contracting Manager Chris Williams,.

2. Presentation and discussion of the Proposed 2016 - 2017 Fiscal Year Budget

Staff Liaison: Larry Price, Finance Director

Mr. Price opened the presentation and provided an overview of the proposed Fiscal Year (FY) 2016-2017 budget. Required audits of the City's budget were discussed and a history of funds reviewed. Updated and additional information is being presented based on requests from Council, to include implementing a cost of living allowance (COLA) for existing employees in the amount of 1.70 percent of annual wages in the amount of \$524,623; a merit wage adjustment of 4.34 percent of annual wages in the amount of \$898,370; estimated health insurance premium increases with an anticipated cost of approximately \$1.1 million; school permit fees in the amount of \$500,000; proposed reclassifications in the amount of \$82,106; and the addition of new

positions in the amount of \$854,341. A table depicting the proposed budget was presented. Mr. Price summarized operating revenues and revenue sources and stated expenditures are increasing faster than revenues. State Shared Revenues (SSR) increased based on an increase in population.

Vice Mayor Hess requested clarification regarding health insurance premiums and new proposed positions. Mr. Price stated health insurance premiums have increased by 27.59 percent; further information was provided regarding the proposed 9.5 additional positions. Mr. Lowe provided a brief overview of grant program matching.

Mayor Meck requested further clarification regarding the increase in health insurance premiums. Mr. Price stated the 27.59 percent *increase* in health insurance premiums is estimated to be approximately \$1.1 million for FY 2016-2017, beginning July 1, 2016 and ending June 30, 2017. Health insurance premium costs are listed in the Base Personnel Services portion of the proposed budget.

Councilmember McAchran requested clarification regarding school permit fees. Mr. Flores stated the amount of \$500,000 listed in the budget is solely for cost recovery of plan review. Plan review and inspection fees are waived for schools and are paid out of the General Fund. Further discussion of school permit fees was held; cost recovery includes salaries, maintenance, and management, fire, police and finance overhead. General discussion was held regarding permit fees.

Ms. Love provided clarification regarding deductibles with the updated and new health insurance plans.

Councilmember Heustis requested clarification regarding contractual. Mr. Price provided an overview of General Fund Operating Revenues and Operating Expenditures; funds that were obligated in a specific fiscal year will be reflected in that year's budget. Mr. Price clarified the proposed budget does not include future contingency fund requests. General discussion was held regarding contingency fund requests. Capital projects were listed and include Project Bronco, Jackrabbit Trail and Indian School Road Project, Miller Road Walkway Project, Pavement Maintenance, Community Development Block Grant projects, and the Next Phase of the Monroe Avenue Project.

Mr. Price stated the Tentative Budget scheduled for approval during the June 7, 2016 Regular Council Meeting does not include the 1.7 percent COLA, the 4.34 percent merit wage adjustment, or the addition of 9.5 new positions. Funds to provide a wage adjustment will be transferred from Contingency Funds. Discussion was held regarding further budget meetings. Mayor Meck discussed employee wage adjustments and the need for revenues to sustain an annual salary increase for employees in the upcoming years. Projected costs of personnel services with the implementation of a 4.34 percent wage adjustment and a 1.7 percent COLA through FY 2020-2021 were presented. Councilmember McAchran requested information be provided regarding the wage adjustment plan approved by Council in August 2015 and the current Compensation and Classification policy.

General discussion was held regarding budget transfers.

3. Adjournment

A motion was made by Vice Mayor Hess and seconded by Councilmember McAchran to adjourn the meeting at 4:01 p.m. Motion passed unanimously.

Jackie A. Meck, Mayor

ATTEST:

Lucinda J. Aja, City Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Council Workshop held on the 31st day of May, 2016. I further certify that a quorum was present.

Lucinda J. Aja, City Clerk